

Message Text

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ORIGIN EB-08

INFO OCT-01 AF-08 ISO-00 SP-02 USIA-06 AID-05 NSC-05
TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03 H-01 COME-00
INT-05 CIAE-00 INR-07 NSAE-00 /072 R

DRAFTED BY EB/OT/GCP - RREIS
APPROVED BY EB/OT/GCP - SAHMAD
EB/ISM - W LENAHAH
L/EB - C ROH
STR - C CLARK
COMMERCE - C PARHAM
AF/EPS - D MCCLELLAN
AF/S - R PERRY

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R 242021Z FEB 77
FM SECSTATE WASHDC
TO AMEMBASSY GABORONE
INFO AMCONSUL JOHANNESBURG

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E.O. 11652: N/A

TAGS: ETRD, BC

SUBJECT: GSP AND BOTSWANAN COPPER - NICKEL MATTE

REF: A) GABERONE 367 B) GABERONE 488 C) STATE 037960

1. THE REASONS FOR THE EXCLUSION OF BOTSWANAN COPPER-NICKEL MATTE FROM GSP ARE EXPLAINED IN REFTTEL C. THERE IS NO PROSPECT NOW OF RESTORING GSP TREATMENT TO BOTSWANAN COPPER-NICKEL MATTE. ONLY IF BOTSWANA'S EXPORTS OF THE MATTE TO THE UNITED STATES FELL BELOW THE COMPETITIVE NEED LIMIT IN A GIVEN YEAR, COULD THE LIMITED OFFICIAL USE

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TPSC RECOMMEND THAT THE PRESIDENT GRANT GSP TO THE PRODUCT THE FOLLOWING YEAR. RESTORATION OF GSP DOES NOT OCCUR AUTOMATICALLY WHEN A DESIGNATED DEVELOPING COUNTRY'S EXPORTS OF A PRODUCT ON THE GSP LIST FALL BELOW THE COMPETITIVE NEED LIMITS.

2. THE DUTY ON COPPER NICKEL MATTE (TSUS 60350) IS

EIGHT TENTHS OF ONE CENT PER POUND OF COPPER IN THE MATTE. USING THE JANUARY LONDON METAL EXCHANGE COPPER PRICE OF SIXTY THREE AND A HALF CENTS A POUND, THE AD VALOREM EQUIVALENT DUTY ON COPPER IS ONE PERCENT. THE DUTY ON MATTE IS NOT ASSESSED ON THE PERCENTAGE OF THE PRODUCT ACCOUNTED FOR BY THE OTHER MINERALS,

NICKEL, COBALT, SULPHUR, AND IRON. THERE IS NO DUTY ON THESE ITEMS WHEN THEY ENTER IN PURE FORM OR AS COMPONENTS OF THE MATTE. THE DEPARTMENT RECOGNIZES THAT THE VALUE OF THE COPPER CONTENT OF THE MATTE MAY NOT EXCEED THE COMPETITIVE NEED LIMITATIONS. HOWEVER, GSP IS ACCORDED TO PRODUCTS, NOT TO COMPONENTS OF PRODUCTS. IN THIS CASE THE VALUE OF MATTE DETERMINES WHETHER OR NOT GSP TREATMENT IS TERMINATED.

3. THE US CUSTOMS SERVICE ALLOWS IMPORTERS A "DRAWBACK" OF AS MUCH AS 99 PERCENT OF THE IMPORT DUTY ON PRODUCTS WHICH THEY IMPORT, "MANUFACTURE," AND RE-EXPORT. IF AMAX'S MATTE REFINERY EXPORTS ITS PRODUCTION AFTER "MANUFACTURE" AND IF THE EXPORTS WERE FOUND ELIGIBLE FOR A DRAWBACK, THE IMPACT OF THE LOSS OF GSP ON THE MATTE WOULD BE GREATLY REDUCED. WE SUGGEST YOU INFORM BOTSWANAN OFFICIALS AND AMAX REPRESENTATIVES OF THE DRAWBACK PROVISIONS AND URGE THEY EXPLORE THE POSSIBILITY WITH THE US CUSTOMS SERVICE. THE BOTSWANAN AMBASSADOR WILL BE DISCUSSING THE WITHDRAWAL OF GSP FROM THE COPPER-NICKEL MATTE WITH THE DIRECTOR OF THE DEPARTMENT'S OFFICE OF LIMITED OFFICIAL USE

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INTERNATIONAL TRADE ON FEBURARY 25. WE WILL EXPLAIN THE DRAWBACK SYSTEM TO THE AMBASSADOR AND GIVE HIM THE NAME OF THE RESPONSIBLE OFFICIAL AT CUSTOMS. YOU MAY ALSO WISH TO GIVE THE NAME AND ADDRESS TO AMAX REPRESENTATIVES:

MR. GEORGE STEWART
US CUSTOMS SERVICE
ROOM 2408
1301 CONSTITUTION AVENUE N.W.
WASHINGTON, D.C.
VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Control Number: n/a
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Sent Date: 24-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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